

**Prepared Statement of Tony Zabaneh  
H&R Block Franchisee**

Dear Members of the IRS,

Thank you very much for giving me the opportunity to participate in today's forum. My name is Tony Zabaneh and I'm a small business owner, franchisee, and tax professional with H&R Block. I care deeply about the Return Preparer Standards Initiative because it clearly demonstrates the agency's objective to be the Tax Payer's advocate.

Preparing an accurate return and gaining the trust of clients have been the hallmark of H&R Block since Henry and Richard Bloch founded our company fifty four years go. Likewise, the success of my business depends on the quality and expertise of my services. That's why I've been a franchisee with H&R Block for the last 21 years.

Through Block's training program, my tax professionals receive the critical training needed to meet and exceed their clients' needs. Specifically, the Block program requires new tax professionals to take 69 hours of basic income tax training, and achieve a final exam score of 80% or better for employment. Additionally, our Tax Professionals are required to complete a minimum of 24 hours of continuing tax education, 12 hours of 'soft skills' training, and 3 hours of Ethics training annually.

When my clients return each year and when they refer others to my business, it reaffirms the quality of this training program and the accuracy and trustworthiness of my tax professionals. H&R Block's Second Look program has taught me that this is not the case across the tax industry.

For this reason, I am in full support of this initiative addressing standards for all tax preparers. But, as a small business owner and tax professional, there are several y concerns that I would like to address:

**1. The costs to me and my business**

Understanding that there will be costs involved in a national program, I believe cost should never create a barrier to entry for any tax preparer. Also, costs should not result in a significant impact to small business owners or to taxpayers who could eventually bear the brunt of these new expenses as they are passed on.

Specifically, here's where I see a national program potentially increasing costs:

- **Investing in a new program** – I'm concerned that a new system would duplicate the thousands of dollars I already invest each year in training and certification. To avoid these costs, I strongly recommend that programs like H&R Block's and similar Certification and Education programs by other qualified organizations be 'blessed' by the IRS with any needed refinements as meeting the Education and Testing Standard Requirements.

- **Registration fee** – I am willing to support the payment of a registration fee. I believe that this fee should be sufficient enough to cover the costs of administering and governing the registration of 100% of the paid tax preparer community, as well as, enforce any and all standards set by the governing agency.
- **Background checks** – I support performing background checks on all tax preparers to keep our industry “felon free”. I recommend that the national registration fee be set to an amount that allows the governing agency to conduct these background checks as part of the initial registration process. To minimize cost, the governing agency should find ways to “talk to” current systems being used by the ABA, AICPA, State societies or OPR, where it can easily check for requirements of member tax preparers.
- **Easy Registration** – The program should make it easy for me to ‘register’ my people. The program should allow employers to be the conduits for information to help minimize the thousands of individual registration applications. Additionally, the program should make it easy for me to check online to see if my people are conforming to registration requirements or if a new hire is properly registered.

## 2. The return I expect from my investment

In return, I believe small business owners, when faced with this new program, will wonder what’s in it for me. Therefore, I would like to recommend the following return on the investment:

- **Effective enforcement** – This needs to be a top priority of the program. Without this component, the program does not have “teeth” and is without worth. The agency needs to be able to respond and show that it has responded.
- **Penalties Assessment** – I also believe that penalties need to be assessed based upon the size of the operation. In other words, a variable assessment should be utilized to ensure the penalty fits the crime based on the size of the individual tax preparer’s business.
- **Closing the loop** – I believe the program needs to provide me and other business owners with critical information regarding our associates for follow-up, retaining and compliance purposes. Also, I would like to have the ability to contact my clients to let them know that we will work with them to resolve any existing errors or open issues.

## 3. Exemptions/grandfathering

A national registration program should be applicable to “all” tax preparers (paid or unpaid preparers associated with volunteer organizations such as VITA, AARP).

I am also comfortable with CPAs, Enrolled Agents and Attorneys being exempt from the initial exam. However, I do believe that a continuing education requirement of year-over-year tax law and administration changes is a must.

In conclusion, at H&R Block, we believe a national oversight program will help to protect the interests of all taxpayers by ensuring a higher level of competence and consistency across the industry.

- It will take working in partnership with companies like H&R Block and me.
- It will take effective enforcement to ensure everyone is playing by the same rules.
- And it will take keeping costs and time to a minimum

If we stay focused on “Improving Industry Standards to Protect Taxpayers” and put taxpayers interests first, I believe this initiative will accomplish its intended goal and we will be proud of the role we played as the taxpayers’ advocates.

Sincerely,  
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